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Two Major Buyers Said To Bid for Raiffeisenbank Russia

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Sergei Karpukhin / TASS

Two major buyers are currently in advanced negotiations to acquire Raiffeisenbank, the Russian subsidiary of Austria's Raiffeisen Bank International (RBI), the Kommersant business daily reported, citing unnamed sources close to the matter.

Under pressure from the U.S. and the European Central Bank, RBI has been cutting its loan book and has also cut its share in Russia's payment market by half. However, both the ECB and the U.S. have continued to increase pressure on the bank to abandon Russia.

Sources told Kommersant that RBI is prioritizing a sale to a non-sanctioned entity to minimize the risk of Raiffeisenbank being added to sanctions lists after the sale.

Any buyer would also have enough "administrative" resources and Kremlin access to bypass the recent court-ordered freeze on Raiffeisenbank's shares following a lawsuit by companies linked to sanctioned oligarch Oleg Deripaska.

The Kaliningrad court case was connected to RBI's potential acquisition of a 28% stake in Austrian construction company Strabag, where Deripaska was reportedly the final owner.

Related article: Court Freezes Shares of Raiffeisen's Russian Division, Delaying Sale

This deal was linked to RBI's efforts to exit Russia, as the acquisition would be paid for out of some 1.6 billion euros worth of trapped RBI profits in the country. If the deal had gone through, it would have meant that even if RBI subsequently sold its Russian operations at a cut-down price, it would have at least been able to enjoy some of the profits those operations had made.

However, RBI was forced to give up on the deal in May under huge U.S. pressure after the U.S. flagged it as a potential violation of sanctions, and Austrian authorities insisted that RBI abandon the transaction.

The decision to abandon the deal subsequently led to a legal challenge by Rasperia Trading, a company formerly owned by Deripaska. The timing of the court ruling has raised questions over whether the lawsuit is being used strategically to lower the price of the RBI sale.

FT also suggested that similar to previous cases, such as the sale of Volkswagen's Russian assets, the legal challenges could be part of a broader tactic to devalue the asset.

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